- Permission to corporates, who have set up their branches and offices abroad, to acquire immovable property overseas for their business/staff residential purposes;
- Permission to listed Indian companies to invest abroad in companies listed in recognized overseas stock exchanges and having at least 10 per cent shareholding in a company listed on a recognised stock exchange in India, on January 1 of the year of investment. Such investments should not exceed 25 per cent of the Indian company's net worth as on the date of the last audited balance sheet;
- Mutual funds are permitted to invest abroad in companies which are listed on overseas stock exchanges and which have at least 10 per cent shareholding in a company listed on a recognized stock exchange in India on January 1 of the year of investment. The overall cap for investment abroad by mutual funds in raised to US $ 1 billion;
- Apart from companies, individuals are also permitted to invest abroad in companies which are listed on overseas stock exchanges and which have at least 10 per cent shareholding in a company listed on a recognized stock exchange in India on January 1 of the year of investment. However, no investment limits are fixed for individuals;
- With regard to transfer of assets in India, remittance of proceeds up to US $ 1 million is permitted.

The announcement of these policies, in general, was welcomed by the industry, trade organisations and the Non-Resident Indians.

Restructuring of Department of Company Affairs

43. SHRI NILOTPAL BASU: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Department of Company Affairs (DCA) has inadequate infrastructure of inspection and investigation of corporate nexus in manipulating the capital market;

(b) if so, the details thereof;

(c) whether Government are contemplating any restructuring of the regulatory functions of DCA alongwith investing a greater degree of independence to it because there may be conflict of interest between administrative and regulatory functions; and

(d) if so the details thereof and if not, the reasons therefor?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) and (b) the Naresh Chandra Committee has observed that the physical strength of the Department has not kept pace with the increased strength of companies in India.

(c) and (d) No such proposal is under consideration at present.

Double taxation avoidance treaty with Mauritius

44. SHRI NILOTPAL BASU: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the fund invested in Indian Capital Market by Companies based in Mauritius during the last three years, year-wise and Company-wise;

(b) whether it is a fact that since Mauritius does not have a capital gains tax this rout becomes a major inducement for denying legitimate revenue to India, given our Double Tax Avoidance Agreement with Mauritius;

(c) whether Government are contemplating re-negotiating the clauses and raising this in Joint working group with Mauritius since this was made possible due to Mauritius Overseas Business Activity Act which was post-DTAA; and

(d) if so, details thereof, if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) No such country-wise data is maintained by Reserve Bank of India.

(b) Under Indo-Mauritius Double Taxation Avoidance Convention